

ARIZONA STATE BOARD OF ACCOUNTANCY

OPEN SESSION MINUTES

February 6, 2006

Members of the Arizona State Board of Accountancy held a meeting at 8:27 a.m. on Monday, February 6, 2006 at the Accountancy Board Office in Suite 165, 100 N. 15th Avenue, Phoenix, Arizona. An Executive Session was held, from 9:09 a.m. to 12:49 p.m., from 2:00 p.m. to 2:05 p.m. and from 2:26 p.m. to 2:52 p.m.

BOARD MEMBERS:

| | |
|---------------------------------|-----------|
| Donald R. Bays, CPA | President |
| +☎ Earl R. Shivers, CPA | Treasurer |
| Marianne E. DeVries, CPA | Secretary |
| Frank J. Brady, CPA | Member |
| ☉ Samuel L. Fogleman, CPA | Member |
| James E. May. | Member |
| +☉ Patrick J. Ramirez | Member |

+☉ Arrived at 8:28 a.m.

☉ Arrived at 8:51 a.m.

+☎ Appeared telephonically until 12:15 p.m.

OTHERS PRESENT:

| | |
|------------------------------|-----------------------------------|
| Valerie M. Elliott..... | Executive Director |
| Jim Dubé | Deputy Director |
| Seth T. Hargraves, Esq. | Assistant Attorney General |
| H. Leslie Hall, Esq | Assistant Attorney General |
| Ryan P. Edmonson..... | Programs & Projects Specialist II |
| Leslie R. Reed | Administrative Assistant III |

GUESTS PARTICIPATING

| | |
|-------------------------------|--|
| Victoria Mangiapane, Esq..... | Assistant Attorney General, Solicitor General Office |
| Stephen T. Harris, CPA ... | Accounting & Auditing Standards Committee Member |
| Dave Goldman, CPA | Board Investigator |
| Marshall King, CPA..... | Board Investigator |
| M. Bridget McMullen, Esq..... | Attorney |

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The meeting was called to order at 8:27 a.m. by Donald R. Bays, President. The following order of business was then considered:

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CALL TO THE PUBLIC

No one wished to address the Board.

MINUTES

January 9, 2006 Board Meeting

A motion was made by James E. May, seconded by Marianne E. DeVries and passed to approve the Open Session Minutes from the January 9, 2006 Board meeting, as amended.

A motion was made by Marianne E. DeVries, seconded by Patrick J. Ramirez and passed to approve the Executive Session Minutes from the January 9, 2006 Board meeting, as written.

DECLARATION OF CONFLICTS OF INTEREST

Donald R. Bays, CPA declared a conflict on file no. 2006.057.

EXECUTIVE DIRECTOR'S REPORT

Valerie M. Elliott, Executive Director, gave an update to the Board on the budget, performance measurements, agency operations, and seminar attendance.

PRESIDENT'S REPORT

Donald R. Bays, Board President discussed placing the topic of a swearing in ceremony as a discussion item at the Board's Annual Meeting.

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to go into Executive Session at 9:09 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 12:49 p.m.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Respondents Motion for Rehearing or Review

File No. 2005.064; Eddows, Denise

M. Bridget McMullen, Attorney for the registrant was present. After introductions were made, Donald R. Bays, Board President called for a motion for/or against hearing oral arguments.

A motion was made by Frank J. Brady, seconded by James E. May and passed to hear oral arguments and set a five minute period for each party.

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Ms. McMullen presented arguments for Ms. Eddows. Ms. McMullen discussed with the Board that Ms. Eddows has responded to every letter that was received by the Board and that revocation was inconsistent with past Board actions. Ms. McMullen stated that similar circumstances merely constituted a Decree of Censure.

Seth T. Hargraves, Assistant Attorney General stated that Ms. Eddows has a history of not responding to the Board and she has been given multiple opportunities in this matter. Mr. Hargraves stated that the issues raised by Ms. McMullen are outside of the record and were not presented at the hearing.

Ms. McMullen stated that Ms. Eddows does not dispute the facts in question, but asked "is it worth taking her certificate."

After the Board deliberated, a motion was made by Samuel L. Fogleman, seconded by James E. May a passed 3 – 2 to grant a review as to penalty.

Patrick J. Ramirez and Frank J. Brady voted against the motion.

After the Board reviewed the file, a motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed 4 – 1 to issue an Order to include a stayed revocation, 12 months suspension, compliance with all Board rules and regulations, an administrative penalty of \$2000, which must be paid within 60 days from the date of the Order, and compliance with the investigation of file no. 2005.064.

James E. May voted against the motion.

CONSENT AGENDA

(The Board may pull any of the following items off the consent agenda and take individual action) Board discussion and legal action on the following items:

Due to conflicts, Mr. Fogleman requested Peter E. Breckling – New York, Daniel E. Ellis – Oregon and Eduardo Alfonzo Gonzalez - New Mexico be pulled from the consent agenda and voted on separately.

A motion was made by Frank J. Brady, and seconded by Patrick J. Ramirez and passed to accept the following consent agenda:

- a. Recommended for Registration of Professional Corporation for the following Applicants - (Meets the requirements of A.R.S. § 32-734):

Pinpointe Accounting Services, PC
Shareholder: Sherri Odom 8034-E

Tim Howell, CPA, PC
Shareholder: Tim Howell 9694-E

Robert H. Rogers, Ltd
Shareholder: Robert H. Rogers 642-E

Brower Accounting & Tax Services, PC
Shareholder: Dee Ann Brower 13586-E

Michael M. Byrne, CPA, PC
Shareholder: Michael M. Byrne 13210-R

Richard A. Podraza, CPA, PC
Shareholder: Richard A. Podraza 13820-R

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- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants – (Meets the requirements of A.R.S. § 32-735):

| | |
|---|--|
| Clear Accounting & Tax Services | Patrick J. Kelly, CPA, PLLC |
| Shareholder: John Jowdy 10127-E | Shareholder: Patrick J. Kelly 2359-E |
| West Coast CPA, LLC | Complete Financial Services, LLC |
| Shareholder: Robert J. Keys 10457-E | Shareholder: John Worsley 7347-R |
| Vestpointe, PLLC | J. Reo Evans, CPA, PLC |
| Shareholder: Joseph I. McCabe, III 8988-E | Shareholder: J. Reo Evans 13797-E |
| Cathie Galloway, CPA, PLLC | HGM's Accounting & Tax Practice, LLC |
| Shareholder: Cathrene Anger Galloway 5012-R | Shareholder: Geri L. Anderson-Wieser 10183-E |

- c. Recommended for Registration of Sole Practitioner for the following Applicants – (Meets the requirements of A.R.S. § 32-731):

Record-It Bookkeeping Services
Owner: Christine R. Voiles 12540-E

- d. Recommended for Firm Name Change:

| | | | |
|-------------------------------------|-----------|--------------------------------|-----------|
| Poulsen & Company, PC | | Mueldener, Wilson & Associate, | |
| Poulsen & Clouse, PC | 286-C | CPA's, PLLC | 1017-L |
| Shareholders: Carter Poulsen | 2893-E | Thompson & Mueldener, CPA's, | 9116-R |
| (Rebecca L. Gentry) | (11101-R) | PLLC | 4749-E |
| | | Shareholders: | (12878-R) |
| | | Kendal T. Mueldener | |
| | | Alan L. Wilson | |
| | | (Linda P. Page) | |
| CL & Company, CPA's, PC | 2576-P | | |
| CL & Company, CPA's | | | |
| Shareholders: Charlie D. Cuccinello | 13004-R | | |
| Julie Louise Littler | 7642-E | | |

- e. Requests for Firm Cancellation - Do not wish to renew:

| | | | |
|-------------------------------|--------|-------------------------------|--------|
| Hopkins Parker & Company, PLC | 2463-L | Weintraub & Morrison, PC | 909-C |
| David W. Goodman, LLC | 2717-L | Rogers & Ramirez, PLLC | 2500-L |
| McConachie & Moore | 903-P | Michael R. Gallacher, CPA, PC | 530-C |

- f. Recommended for Cancellation of Certificate per registrant's request not to renew:

| | | | |
|------------------|--------|---------------------|---------|
| Karl Eugene Ray | 641-E | Anna Marie Reinking | 6603-E |
| Anita Dow Head | 966-E | Mauricio Chamat | 11720-E |
| Angela M. Larson | 8438-R | Robert M. Mucha Jr. | 11131-E |

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g. Recommended for Reissuance of Certificate because of Name Change:

| | | | |
|------------------------------|---------|--------------------------------|---------|
| Breonna L. Redford (Paulsen) | 13778-E | Melissa J. Swanson (Simon) | 12692-E |
| Theresa Day (Garcia) | 13366-E | Gretchen L. Haggerty (McBride) | 11903-E |

h. Recommendation of the Certification Committee for approval of Certification by Examination – A.R.S. §32-721:

| | | |
|--------------------------|-------------------------|-----------------------|
| Rebecca J. Adams | Gregory Lee Andersen | Patrick George Loftus |
| Yuson Barr | J. Bart Bates | Scott Maish |
| Todd M. Bazin | Michelle N. Bejarano | Linda S. Martin |
| Julie M. Benson | Pamela A. Borron | Dianne M. McGill |
| Deborah Lynn Buck | Blake A. Bunker | Arnold Mejia |
| Carol A. Butler | Joyce Yee Nergard | Kimberly E. Miller |
| Sahar Theresium Clancy | James R. Clemons | David K. Stutsman |
| Kwok Leung Cheung | Michael V. Chin | Nama Jaber Omais |
| Keith Chickering | Martin G. DeMarzo | Andrew A. Pieper |
| Dorinda L. Morgan | Gavin Daniel DeTemple | Radhika Samant |
| Karen L. Diepholz | Katherine W. Eagar | Michael J. Stell |
| Kathleen Marie Egan | Dale A. Eske | Kitty Tang |
| Amy Flake | Christopher M. Frandsen | Valerie J. Smith |
| Brett T. Frederick | John S. Gammon | R. Scott Wilkinson |
| Mary E. Wifler | Amy R. Hanagan | Todd Thomas Lenczycki |
| Zeba Hashim | Lavette Denise Hayes | Debra M. Madsen |
| James H. Hill, Jr. | Gregory L. Randall | Mindi Maksinchuk |
| Philip Murray Howard III | Brian K. Walker | Dewaine McBride |
| Sean Kindell | Philo J. Larrabee III | Elizabeth L. McKeever |
| William Gary Patchett | | |

i. Recommendation of the Certification Committee for approval of Certification by Reciprocity – A.R.S. §32-724:

| | |
|--------------------------------|-----------------------------------|
| Mark Albrecht – Minnesota | Thomas John Napolitano – New York |
| Linda M. Eicholz – New York | Ralph Hardwick, Jr. – New York |
| Gerald L. Lenning – California | Jeffrey A. Wright – California |

- j. Recommendation of the Certification Committee for approval of Certification by Grade Transfer – A.R.S. §32-721:

Steven Calabrese – New York

Susan Annette Johnson – Illinois

Karen Julius – Minnesota

Don C. Kimball – California

Sylvin Rae Lange, Jr. – California

Gretchen E. Scheidler – Wisconsin

Susan Talbott – Minnesota

- k. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency – A.R.S. § 32-726(B):

Ponie Curtis Black – New Mexico

Robert C. Bledsoe – Texas

Jeff Boomershine – Indiana

Amy L. Collins – Texas

Vincent Paul Colman – New Jersey

Shirley Cool – Massachusetts

Daniel R. Costello – Missouri

Pamela Jean Cote – Connecticut

Amy Michelle Davenport – Texas

Robert Ryan Dulgarian – California

Rick A. Frost – North Dakota

David B. Flax – Illinois

Lee Hathaway – Nebraska

John D. Gallimore – Ohio

Susan E. Kenney – Massachusetts

John K. Hanson – Indiana

Mandy Liscinski – Idaho

Travis J. Hutchison – Nebraska

Scott Nance – Missouri

Karyn A. Howell Kissling – Indiana

Theresa Rakowsky – Washington

Camille B. Lockhart – Missouri

Robert H. Sher – Pennsylvania

Kellie Sue Pruitt – Texas

Denise Ann Yang – New Jersey

John D. Sauder – Illinois

Lameck Zulu – California

George M. Unruh, Jr. – North Dakota

- l. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam – A.R.S. § 32-723:

Haya F. Aikilani

Anoop Bhupendra Patel

Harisimran Kaur Khalsa

Jennifer Jean Askew

David S. Rekas

Robert Michael Leff

Michael Louis Boden

Emily Caroline Sayre

Luke Christopher Livak

Mark L. Boyd

Timothy John Seeber

Michaela Ann McReynolds

Jerome Bruggeman

Huimin Wang

Jeffery Alan Nordin

Leslie Marie DeReche

Kwok Cheung Yan

Jeremy John Olson

Donald Wayne Hall

Jose Alberto Alvaez Pedroza

Donna Jane Pollock

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|--------------------------|---------------------------|-------------------------|
| Vincent Verne Joven | Sarah Bernadette | Magan Lyn Salerno |
| Samuel Willard Kerch | Nathan Jeremy Bolt | Lisa Carrie Schultz |
| Melissa Charline Lawless | Michelle Lynn Brooks | Samantha Leigh Sistek |
| Jay I. Levinter | Andrew Philip Buchholz | Courtney Lynn Wendt |
| Mandy Elizabeth Loncasty | Leo E. Ebbert | Dharmesh Dayalbhai Ahir |
| Ryan Charles Nixon | Christopher Martin Jensen | |
| Byung Gun Oh | Karl Wilson Keck | |

m. Approval of Candidates who have passed the Uniform CPA Examination:

| | | |
|----------------------------|--|---------------------------|
| Mentor Shahin Berisha | Steven Ardell Camacho | Anchal Chowhan |
| Meghan Elizabeth Costigan | Tanya Deininger | Jonathan Lennon Donath |
| Adele Catherine Enselek | Christina Gehring | Christopher James Gracey |
| Holly Marie Griffus | Nestor Xicotencatl Hernandez Gonzalez | Stephen Bret Howcroft |
| Philip Lee Jacobs | Jill Ellen Jaffe | Nickolas Christian Jensen |
| Dawn Marie Johnson | Christopher Allen Jones | Thomas John Kerkaert |
| Bailey Hanson Kramer | Jeffrey Allan Lee | Jason Richard Lewis |
| Sarah Nicole Linman | Eric Brian Maneval | Lindsay Rene Marks |
| Tylan M. Miller | Erin Corinne Oconnor | Nathan Alan Peterson |
| Andrew Arthur Pieper | Jessica Alison Sara Pollock | Roberta Ann Potts |
| Elizabeth Lynne Pruett | Brady Whalen Ramsay | Jayanta Ray |
| David F Rogers | Andrea Rae Scarla | Kevin W. Seabolt |
| Ramakant Prakash Shembekar | Kristin Danielle St Raymond | Vandana Tanna |
| Derek Raymond Taylor | Catherine Elizabeth Thomas | Rahul Thumati |
| Ryan Sean Wedel | Leslie D Wilson | Catherine Hsueh Wu |

n. Recommendation of the Peer Review Advisory Committee for approval on the following firms in compliance – R4-1-454:

| | |
|-------------------------------|---------------------------------------|
| Caldwell, Geoffrey, CPA, P.C. | Cawood, Sharman E. CPA |
| Stern, Moinica J., CPA, PLLC | Andolshek, Terry J., CPA, P.C. |
| Furst & Associates, P.C. | Gaintner Bandler Reed & Peters P.L.C. |
| Holter & Denomy | Kienitz, Douglas P., CPA, P.C. |

| | |
|-----------------------------------|----------------------------------|
| Rusk & Heard, P.C. | Schlottman CPA's, P.L.C. |
| Larson, Allen, Weishair & Co. LLP | Moeller, Larry D., P.C. |
| Weintraub & Schanck, P.C. | Seely Mullins & Associates, P.C. |
| Stevens, John E., CPA, P.C. | Anderson & Scow, LLP |
| Kramer, Edward CPA, P.C. | Hunter Hagan & Company, LTD |

CONSENT AGENDA

A motion was made by Frank J. Brady, and seconded by Patrick J. Ramirez and passed to accept the following consent agenda items:

- i. Recommendation of the Certification Committee for approval of Certification by Reciprocity – A.R.S. §32-724:

Peter E. Breckling – New York

- k. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency – A.R.S. § 32-726(B):

Daniel E. Ellis – Oregon
Eduardo Alfonzo Gonzalez – New Mexico

Samuel L. Fogleman declared conflicts and did not vote.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Application for Certification by Examination, Denial by Certification Committee – A.R.S. §32-721

Marion F. Child

James E. May reviewed the file. A motion was made by James E. May, seconded by Frank J. Brady and passed to deny the registrant's request for application for certification by examination because she did not meet the education requirements and to appoint Valerie M. Elliott, Executive Director, or Jim Dubé, Deputy Director as the designated representative of the Board for the settlement conference, if requested, with limited authority to settle.

Amanda L. Gates

Patrick J. Ramirez reviewed the file. A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to deny the registrant's request for application for certification by examination because she did not meet the education requirements and to appoint Valerie M. Elliott, Executive Director, or Jim Dubé, Deputy Director as the designated representative of the Board for the settlement conference, if requested, with limited authority to settle.

Diane L. Wascher

Samuel L. Fogleman reviewed the file. A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to approve her application for certification by examination.

A motion was made by Samuel L. Fogleman, seconded by Frank J. Brady and passed to go into Executive Session at 2:00 p.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 2:05 p.m.

Application for Certification by Examination, Deferral by Certification Committee – A.R.S. §32-721

Wanda M. Denton

Samuel L. Fogleman reviewed the file. A motion was made by Samuel L. Fogleman, seconded Frank J. Brady and passed to approve her request for application for certification by examination.

Jonathan Hiner

Frank J. Brady reviewed the file. A motion was made by Frank J. Brady, seconded by James E. May and passed to approve his request for application for certification by examination.

Gregory A. Izenstark

Marianne E. DeVries reviewed the file. A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to deny the registrant's request for application for certification by examination because he does not meet the education requirements and to appoint Valerie M. Elliott, Executive Director, or Jim Dubé, Deputy Director as the designated representative of the Board for the settlement conference, if requested, with limited authority to settle.

Deborah Treanor Miller

Patrick J. Ramirez reviewed the file. A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to approve her request for application for certification by examination.

Request for inactive status – A.R.S. § 32-730

David E. Dzivak 10199-E

Christine Angela Niezgodzki 6835-E

A motion was made by Frank J. Brady, seconded by James E. May and passed to approve the requests for inactive status.

Consideration of Reinstatement of Expired Certificates

Shannon R. McGinnis 9900-E

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to grant reinstatement.

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

NASBA – Vice Chair recommendation for 2006-2007

A motion was made by Frank J. Brady, seconded by Samuel L. Fogleman and passed to recommend Thomas Sadler for Vice Chair of NASBA for 2006 – 2007.

Quarterly Focus Questions

The Board discussed the questions and directed Valerie M. Elliott, Executive Director to complete the questions and forward the Board's answers to NASBA.

Prometric testing schedule - April

The Board reviewed the information.

Review Status of Firm Compliance with Requirements for Firm Registration

Coleman & Company, PLLC 2370-L

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to approve the firm name.

Termination of Decision & Order (By Consent)

File No. 2002.048; Scafaru, Peter

File No. 1998.155; Rasco, Bette

File No. 2005.073; Robb, Ross

A motion was made by Frank J. Brady, seconded by Marianne E. DeVries and passed to terminate the Consent Orders and close the files.

Compliance with Decision & Order (By Consent)

File No. 2004.061 & 2005.027; Tassainer, Garin

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to defer action until the next Board meeting.

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to go into Executive Session at 2:26 p.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 2:52 p.m.

COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES

File No. 2006.026

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2006.040

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to accept the Tax Practice Committee's recommendation to open a separate initial analysis file and refer the new file to the Accounting and Auditing Standards Committee.

COMMITTEE RECOMMENDATIONS – INVESTIGATION FILES

File No. 2005.086

A motion was made by Donald R. Bays, seconded by Frank J. Brady and passed 5 – 1 to offer a Decision & Order (By Consent) to include 12 months probation; 16 hours of continuing professional education in the area of SSARS, 8 hours of continuing professional education in the area of payroll accounting, 4 hours of continuing professional education in the area of ethics, all of which are to be in addition to the statutory requirement, to be taken in classroom setting and must be pre-approved; and cost recovery of \$4,000.00.

Marianne E. DeVries voted against the motion.

File No. 2006.021

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the Tax Practice Committee's recommendation to open an investigation file on the other partner.

Samuel L. Fogleman declared a conflict and did not vote.

DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

None.

SUMMARY OF CURRENT EVENTS

None.

SETTLEMENT CONFERENCE

File No. 1998.229

File No. 2003.021

File No. 2000.044

File No. 2003.063

File No. 2000.026

File No. 2004.046

File No. 2000.027

File No. 2006.015

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to accept the settlement offer with the elimination of the Decree of Censure for File No. 2000.044.

Donald R. Bays & Frank J. Brady declared conflicts and did not vote.

ADJOURNMENT

There being no further business, a motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to adjourn at 3:05 p.m.

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Donald R. Bays, CPA, President

Earl R. Shivers, CPA, Treasurer

Marianne E. DeVries, CPA, Secretary

Frank J. Brady, CPA Member

Samuel L. Fogleman, CPA Member

James E. May, Board Member

Patrick J. Ramirez, Board Member